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SUBJECT: TIC FOLLOW UP - TRINIDAD & TOBAGO

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SENSITIVE BUT UNCLASSIFIED - HANDLE ACCORDINGLY

¶1. (SBU) SUMMARY: GOTT trade officials were disappointed that the October meeting of the US-CARICOM Trade and Investment Council meeting did not address future access to the U.S. market for CARICOM goods, but they welcomed USG interest in following up the October meeting. They reacted coolly to the idea of continuing discussions by videoconference, strongly preferring another face-to-face meeting. Post believes that GOTT trade officials are willing to be convinced that the TIC process will bring them closer to their market access goals. If convinced, T&T should be an ally in advancing substantive discussions under the TIC, provided the process respects CARICOM solidarity. END SUMMARY.

¶2. (SBU) Per reftel instructions, Economic Section Chief discussed USG thinking on next steps for the U.S.-CARICOM Trade and Investment Council (TIC) with contacts at the Ministry of Trade and Industry and leading business organizations.

¶3. (SBU) In a January 17 meeting, Ministry of Trade and Industry Permanent Secretary Edwina Leacock welcomed the message that the USG seeks to follow up the October TIC meeting, adding that the readout she had received after that meeting left her in doubt as to whether the U.S. was serious about advancing its trade and investment relationship with CARICOM. Ministry staffer Neville Alexander, who attended the October TIC meeting, explained that CARICOM had gone into the meeting hoping to hear about USG thinking on the future of the Caribbean Basin Initiative or successor arrangements to secure access to the U.S. market for CARICOM exports. The U.S. message, that market access for goods was "off the table" pending renewal of the President's Trade Promotion Authority (TPA), had come as a disappointment, he said.

¶4. (SBU) Econ Chief pointed out that CARICOM members had identified many issues other than goods for which there is ample scope for substantive discussion, and he underscored USG desire to use the TIC process to support implementation of the Caribbean Single Market and Economy (CSME). Leacock responded that T&T certainly was interested in pursuing in-depth discussions in these areas, and she undertook to begin identifying T&T's interests and priorities, admitting that the Ministry had given little thought to this since the October TIC meeting.

¶5. (SBU) On the proposal to continue discussions via digital video conference (DVC), Alexander said that the Ministry could contract for DVC services as needed, but Leacock clearly signaled a preference for face-to-face meetings. While viewing DVCs as an acceptable fallback, for example to permit participation by individual CARICOM members whose experts were unable to travel, Leacock thought CARICOM's ability to speak as a unit would be undermined by the DVC format, since CARICOM members would have a difficult time coordinating positions before and during discussions with the U.S. On the idea of holding discussions in small groups, Leacock offered no verbal reaction but her body language was equally tepid.

¶6. (SBU) Econ Chief stressed that DVCs would provide an efficient channel for expert-level discussions, allowing several rounds to be held before the Conference on the Caribbean planned for June. While Leacock responded favorably to the idea of using the Conference on the Caribbean as an opportunity to draw attention to progress in implementing the CSME and in advancing TIC discussions, she reiterated her preference for a face-to-face meeting sometime before the Cricket World Cup gets underway in early March.

¶7. (SBU) In a separate conversation, Larry Placide, who represents the Trinidad & Tobago Chamber of Industry and Commerce in the Caribbean Regional Negotiating Machinery, echoed concerns that CARICOM would have difficulty continuing discussions via DVC. Placide recognized the advantages of holding in-depth discussions with sub-groups of CARICOM members, but he also flagged the risk of fueling intra-CARICOM suspicions, particularly if smaller economies were excluded from discussions between the U.S. and larger CARICOM members.

¶8. (SBU) COMMENT: Maintaining or improving access to the U.S. market after elements of the Caribbean Basin Initiative expire in 2008 is the GOTT's top trade policy goal with the U.S. Judging from PS Leacock's response to our message, GOTT trade officials are not sure that the TIC will move them any closer to that goal but are willing to be convinced. If convinced, T&T should be an ally on substance. T&T is committed to an open investment environment, it is already cooperating with us on IPR by hosting the first USPTO-CARICOM seminar, and it has much to gain from CSME implementation in view of its role as a center for manufacturing and services and a source of investment within the region. Nevertheless, as evidenced by PS Leacock's cool response to the DVC proposal, the GOTT puts a high premium on maintaining CARICOM consensus, conscious that smaller CARICOM members may suspect T&T's

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motives when it comes to dealing with the U.S. END COMMENT.

AUSTIN